Search and Destroy-The War on Drugs

AT a third-floor window of a Lower Manhattan hospital, a team of federal agents huddled behind a battery of cameras. Below them, other agents strolled along the sidewalks, or cruised down Gold Street in unmarked cars. One group waited in a windowless minibus parked across the street. Not far away, another group, posing as an emergency crew, sat under a yellow canvas work tent over the open manhole in which they had set up a communications center. Precisely at 8:40 p.m., two undercover agents drove up Gold Street in a green 1970 Cadillac. They pulled to a stop in the No Parking zone in front of the hospital - and waited.

Minutes later the hidden agents—there were 40 in all—got the word over their short-wave radios: "Suspects are proceeding down Spruce Street, headed for Gold." In the third-floor observation post, one agent cracked to TIME Correspondent James Willwerth, "The Chinese are very punctual." So they were—right on time for the most important narcotics bust this summer.

At 9 p.m., two wary men walked up to the green Cadillac: Kenneth Kankit Huie, 60, self-styled "unofficial mayor of Chinatown," and Tim Lok, 35, known to federal agents as "the General" for his ramrod-stiff posture. The four men—two undercover narcotics agents, and the two "connections" whom they had been trying to nail for four months—wasted no time. The agents opened the trunk of the Cadillac and showed the Chinese the contents of an olive-drab attaché case inside: \$200,000 in \$50 and \$100 bills.



UNDERCOVER AGENTS SHOW HUIE & LOK \$200,000 IN TRUNK In hollowed-out heels, false-bottomed suitcases, cars, girdles and boa constrictors.

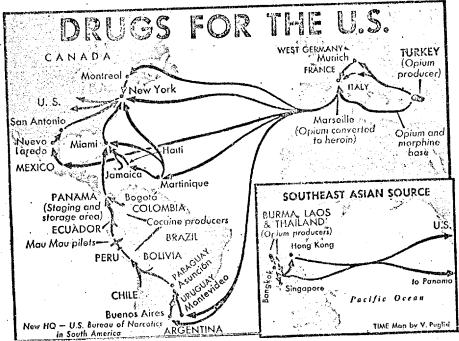
Then the General led one of the agents off on a meandering excursion that ended up in a Chinatown sportswear shop. There it was the agent's turn to inspect the wares: a cardboard box packed with 14 plastic bags containing 20 lbs. of pure No. 4 white heroin from Southeast Asia. Street value: \$10 million.

The agent and the General then went back toward Gold Street in a taxi, followed in a gray Dodge station wagon by a third Chinese, Guan Chowtok, bringing the heroin. But Guan, owner of the sportswear shop, doubled

back and dropped the heroin in a vacant lot, arriving empty-handed. He seemed worried about police. The agent and Guan argued in the street in front of Beekman Hospital for several minutes, and finally the hesitant Chinese agreed to make the deal. The four men piled into the green Cadillac and followed the gray Dodge station wagon to a dark, descried street, under the shadow of the Brooklyn Bridge. Following the General's directions, one undercover agent walked through waist-high grass into the vacant lot. Suddenly, he knelt down and said loudly: "This is the package; this is the package."

On that signal, the night fairly exploded with armed men and flashing lights. Two unmarked cars squealed to a stop at opposite ends of the street, blocking the escape routes. Agents waving pistols and shotguns sprinted out of the shadows from all directions. Huie, the General and a fourth Chinese accomplice surrendered immediately. Guan jumped into his gray Dodge—and tound himself staring into the muzzle of a .45 automatic in the hands of an agent who was leaning through an open window.

Though last week's Chinatown bust was motion-picture perfect, to U.S. narcotics experts it was another bittersweet element in an increasingly frustrating, not to say disastrous situation. True, the raid was the latest in a number of successful skirmishes in what President Nixon describes, more and more plausibly, as a global "war on drugs." In Montreal and Saigon, narcotics officers have recently nabbed some of the bigger wholesalers. Washington, mean-



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while, is awaiting the imminent extradition by Paraguay of Auguste Joseph Ricord, French-born boss of a Latin American connection that is alleged to have piped heroin worth \$1.2 billion into the U.S. over a five-year period (TIME, Aug. 28).

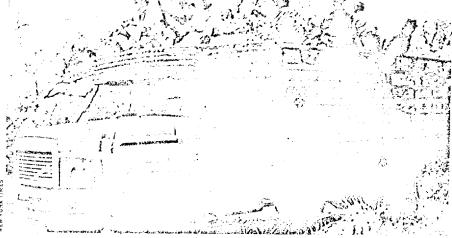
But the bad news about narcotics far overshadows such success. The "skag" seized at the Brooklyn Bridge last week was the second large shipment of Asian heroin to be intercepted in New York. The first seizure came last November when a Philippine diplomat and his Chinese partner were arrested at Manhattan's Lexington Hotel with 38 lbs. of heroin in their luggage. The two busts tend to confirm the gloomy forecasts of U.S. narcotics experts that as some of the old drug trade routes from Europe become more dangerous, new ones will open up from Asia. The emergence of Asia, with its immense opium production, as a major exporter of narcotics, promises to make the drug trade a truly global problem.

New Routes. Through most of the postwar years, drugs had flowed from the poppy fields of Turkey and the labs of Marseille direct to the U.S. via the famed "French connection." In the past two or three years, more and more her-

has been routed through Latin if a and the Caribbean, where law anorecement is spotty and protection cheap. But as the Latin connection begins to feel more and more heat, and if Turkey phases out remaining opium production under pressure from Washington, the drug trade is expected to swing increasingly to Asia, drawing on the vast surpluses of opium grown in the remote, misty hills of Burma, Thailand and Laos, source of 58% of the 1,200 tons of illicit opium the world produced last year. State Department narcotics experts already see several routes developing, including one to the U.S. via Hong Kong and Britain.

The present flow of narcotics to the West is capable of supporting a savage rise in consumption—and with it, savage rises in crime, in crippled lives and in deaths. Hard statistics are hard to come by, but the best Government estimates put the U.S. heroin-addict population at 560,000—ten times the level of 1960 and almost double what it was only two years ago. On the average, a U.S. addict spends \$8,000 a year to support his habit; in New York City, with an addict population of more than 300,-000, as much as 50% of all crime is related to addiction. The U.S. has become a heroin market worth \$5 billion a year to the international drug trade.

As other countries are discovering to their horror, it is an expanding market. In Canada, recent estimates place the addict population at 14,000 and rising. Turkey now has a small heroin-addict population—a development that and the powerful conviction among Turks that narcotics reduce sexual potency. Heroin is spreading amon-



THAILAND DRUG TRADERS DELIVERING OPIUM IN OPEN TRUCK

South Vietnamese, who have picked up a taste for hard. drugs from the departing American soldiers. All over Western Europe, which once idly dismissed hard drugs as "an American problem," officials now reckon that they have a growing addict population of about 100,000. Says a U.S. State Department official: "They're real scared about what the late 1970s will bring."

So is Washington. One day last January, John E. Ingersoll, blunt-spoken chief of the Justice Department's Bureau of Narcotics and Dangerous Drugs, went to the White House to report personally that an "astonishing variety" of drugs-heroin,

cocaine, amphetamines, hashish, marijuana-was continuing to pour into the U.S. Nixon, by all accounts, was in a rage. "But dammft," he said at one point, "there must be something we can do to stop this.'

The result has been a dramatic change in the U.S. approach to drugs. Only two years ago, U.S. narcotics agencies operated on a miserly \$78 million budget. Now the White House is asking Congress for \$729 million next year for a flock of new agencies.

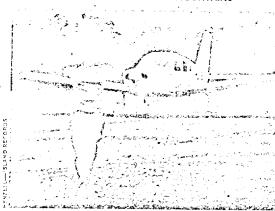
The agencies are charged with what is essentially a broad-gauged searchand-destroy mission. In the U.S. the Justice Department's eight-month-old Office for Drug Abuse Law Enforcement has 300 investigators tracking down street pushers, while the Internal Revenue Service has 410 special agents checking distributors' tax records.

The Bureau of Customs, charged with policing thousands of miles of wide-open frontier, is due to add 330 new men to its hard-pressed 532-man border patrol force. Last month Nixon ordered the Air Force to help out by installing new extra-low-level radar at sites in Texas and New Mexico, wher

smugglers who scoot across the Mexican border in light planes, avoiding detection by flying at captus level



MULE TRAIN HAULING OPIUM DOWN FROM THAI MOUNTAINS



MARIJUANA PICKUP IN JAMAICA And diplomatic couriers.

Force and Air Guard squadrons have been ordered to maintain their F-102 and supersonic F-106 interceptors on alert status, ready to scramble in five minutes. Besides the heroin smugglers, their targets will also include the light planes that deliver something like a ton of Jamaican marijuana daily, mostly at airfields in Florida.

The heart of the strategy is a U.S. effort, one with no precedent in history, defies Moslem strictumppgoved: For Release 2005/06/22 at CIA-RDB74B00405800400030966 Washington "war room" of the Bureau of Narcotics and Dangerous Drugs, magnetic

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THE WORLD

dicate the location of the bureau's 1,610 agents—up from 884 two years ago. In each of the key drug-traffic countries, such as France, Mexico, Turkey and Thailand, eight to 15 BNDD men act as advisers to their local counterparts, gather intelligence on their own, and, when necessary, engage in what is known in CIA argot as "dirty tricks."

BNDD men talk as if their job is to tear up the Ho Chi Minh Trail, not the international drug trade. "We'll never dry up the supply lines," Ingersoll tells war-room visitors. "But we can disrupt the lines and reduce the flow to a tolerable irritant. That's our goal."

The Administration's boast that "the tide has turned" is vastly exaggerated, but there are encouraging signs. American agents in and out of the U.S. so far this year have helped seize 3,966 lbs. of heroin, a sixfold increase over three years ago. The amount represents less than 20% of the ostimated 113 tons of heroin that U.S. addicts used last year—a measure of how far the war is from being won. But the effect is being felt on the street.

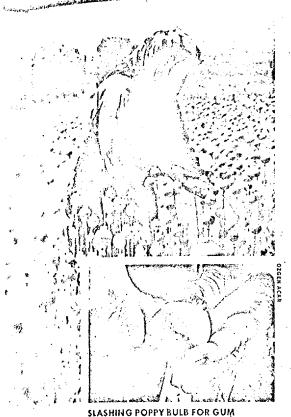
Evidently because of recent busis in Canada, France and New York, addicts are shuddering through the third month of a major heroin drought. In Montreal, a major port of entry for French heroin, one dealer complained last week that "the stuff is scarce as hell. I can pay but my man can't deliver." In Marseille, the price of a kilo of heroin has risen in past weeks from \$2,500 to \$5,000, partly as a result of the shortage, partly because the heat is on.

Another sign of hard times is slipping quality. Even after being cut with sugar and powdered milk, retail heroin used to be about 10% pure; now the range is from 3% to 7%. So low is the potency nowadays that the "good stuff," when it is available, may kill an unwary addict. San Antonio has had twelve overdose deaths in the past nine weeks because someone—perhaps an inexperienced pusher—has been peddling heroin that is 53% pure.

To Myles J. Ambrose, a hard-bitten former federal prosecutor and Customs Bureau chief who heads the domestic side of the Justice Department's



TURKISH WOMEN HARVESTING OPIUM GUM



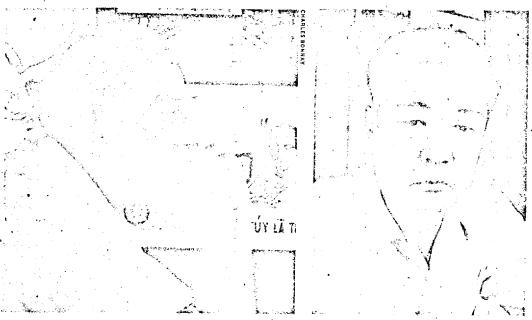
drug effort, the shortage proves that the Administration strategy is on the right track. "The name of the game for the big-time pushers is moving the stuff into the U.S.," he says. "We belt 'em at one place, and they move someplace else. When we catch the stuff, that's when they lose their money."

Of late, the big-time pushers and traffickers have been losing their money, goods and sometimes their freedom at an encouraging rate. Some of the bigger catches over the past year:

salgon: South Vietnamese police and BNDD agents nabbed Joseph Berger, 66, a pudgy, balding American who arrived in Southeast Asia 16 years ago and skillfully worked his way up to the top of the drug-smuggling heap. Narcotics agents believe he is the only American to have had face-to-face dealings with "the Phantom," the ubiquitous Chinese who until recently reigned supreme over drug traffic out of Indochina. Four months ago, Berger hauled a 400-lb. load of opium down Thai country roads, bullying his way past police checkpoints into Cambodia. He arrived

in Saigon in June for a scheduled meeting with the Phantom, but was arrested. When the Phantom arrived at Tan Son Nhut airport, Berger fingered him. He turned out to be one Wan Pen Phen, a middle-aged Chinese with both Taiwanese and Thai papers. Police say Phen routed 4,500 lbs. of opium monthly through the area. In July, the cops arrested Luu Phuc Ngu, a prominent Saigon hotel owner, his son Luu Se Hon, and Phen's No. 2 man, Am Nui. The three organized the South Viet Nam end of the opium trade for the Phantom. Under interrogation last week, both Phen and Nui denied any knowledge of any drug dealings.

MARSHILE: The shrimp boat Caprice des Temps (Whim of Time) attracted the attention of French customs agents last March when its captain refused an order to cut his engines. The captain, Marcel Boucan, 58, was already being watched for his dealings with eigarette smugglers. The agents also noticed that though the 60-ton boat had made two trips to Miami, it never ventured near the shrimp-fishing grounds. After cus-



BERGER (LEFT) & PHEN IN SAIGON POLICE HEADQUARTERS "We belt 'em at one place, and they move some place else."

toms agents forced the Caprice back to port; Boucan dived overboard. He was picked up the next morning, exhausted, near Marseille's harbor fortress. Finding nothing illegal, police were about to release Boucan when they noticed that the concrete ballast was slightly awry. On investigation, they discovered 937, lbs. of pure heroin hidden in the ballast. It was the largest narcotics haul in history, worth up to \$400 million on the New York streets.

NEW YORK: Louis Cirillo, 48, posed as a Bronx bagel baker making \$200 a week. In fact, police say, he was one of the biggest narcotics distributors in the U.S., supplying a ton a year to street pushers. Cirillo got his heroin from a French ring that smuggled it into New York concealed in expensive automobiles. After intercepting a heroin-laden car that had been shipped to the U.S. from Europe, French and American agents indicted 28 members of the ring, including Cirillo, another Bronx man, John Anthony Astuto, 20 Frenchmen and an Austrian national; a number of them are still at large. For his role in the case, Cirillo was sentenced in May to 25 years in prison. After his conviction, federal agents dug up \$1,078,000 in cash from his backyard.

LA PAZ: When three men and two women checked into a La Paz hotel in February, an alert desk clerk recalled that one of the men had checked in four years before under a different name and passport. Bolivian police arrested the man, who turned out to be a Uruguayan wanted in Miami for drug trafficking. The cops let the others go, but BNDD agents were convinced that the ones who got away were important and traced the two couples to Mexico City. There they were identified as Jean-Paul credentials and the smuggler-prince was Angeletti, Approved For Release 2005/06/22 tt ClA RDP74B00415R00Q400030066-9 Sarti, 34, a native of Marseille, and their mistresses. The two men were top op-

eratives for the notorious Auguste to

seph Ricord. Their mission: to set up a new route for getting drugs into the U.S. Agents moved in on them after two months' surveillance. Angeletti, 'who was nude in bed when agents kicked in the door, surrendered and was extradited to France. Sarti shot it out and was killed. In his possession were ten stolen passports from four countries, which enabled him to pose at will as a Uruguayan diplomat, a Panamanian student or an Italian businessman.

ANKARA: Turkish Senator Kudret Bayhan told friends in Ankara last February that he was going to France to buy a dress for his daughter. Nothing unusual about that. The high-living Senator was well off, and he had made frequent trips to France in the past. This time Bayhan failed to reckon with the newly coordinated French and Turkish narcotics enforcers. The Turkish Ministry of the Interior had sent out an allpoints bulletin for Bayhan's rented Turkish-made Anadol automobile. When the Senator got to the French-Italian Mediterranean border, the "Route 66" of drug traffic to Marseille, police stopped the car and found 300 lbs. of morphine base. The case has led to three other Senators, although, said Turkish police last week, "it is too early to make an announcement."

The classic example of greenhorn clumsiness is that of a former Vice President of the Laotian National Assembly, Prince Sopsaisana, who arrived in Paris in April 1971 as his country's new Ambassador to France. One key item of his luggage was not passed by customs at Orly airport: a valise containing 123 lbs. of pure heroin. Informed of the incident, President Georges Pompidou refused to accept Sopsaisana's

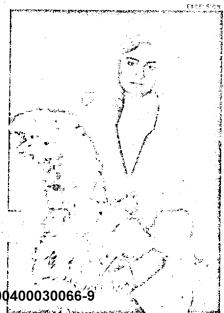
Amateurs are frequently recruited to smuggle drugs, particularly between Latin American cities and the U.S. Car-

riers bring in heroin (or cocaine) in innumerable ingenious ways-including, on one occasion, stuffing it inside a live boa constrictor. A more common method, however, is for women airline passengers to travel to Miami with cocaine or heroin hidden in their girdles or in false-bottomed suitcases. Near Santiago there is a factory specializing in making suitcases with hidden compartments. The agents are catching more and more such carriers, in part through use of a secret "smuggler's profile"—a telltale behavior pattern apparently common to amateur smugglers.

One courier who fell afoul of customs was Carole Dale Robinson, a 19year-old model from San Francisco. She arrived at Mexico City airport last March clutching a stuffed toy llama from Peru. Customs officers split it open -and found 8 lbs. of pure cocaine inside. She protested that she was merely carrying the toy as a favor for someone else, but in fact U.S. agents had been watching her since she left California. She is now awaiting sentence, which may run as high as seven years.

The amateur who shows up in Montreal or some other point with heroin in the hollowed-out heels of his shoes may not be able to find a buyer at any price. The professionals deal only with other professionals; they almost never move drugs on speculation, and they prefer to deal in lots of 50 or 100 kilos. The biggest operators are shadowy figures, little-known and rarely seen. Much of the international trade is still dominated by the fabled, Marseille-based French Corsican families who developed the deadly business back in the 1930s (see box, page 24).

In Southeast Asia, the U.S. State Department has long been following the operations of one Lo Hsing-han, (Chinese of mysterious background who is said to enjoy absolute rule over drugs in the mountainous region of Burma,

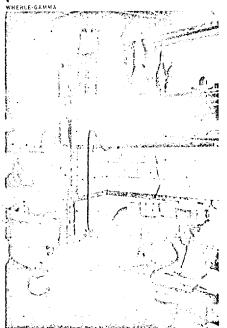


CAROLE DALE ROBINSON WITH TOY LLAMA

Thailand and Laos known as the Golden Triangle, the richest poppy-growing work the same action the world and the source of the ease 2005/06/22 action the world and the source of the ease 2005/06/22 action the same 15 the net profit can be as high as \$750,000. Asian heroin now reaching the U.S. in

growing quantities.

Opium production is outlawed in Burma, but Lo has what the State Department describes as "a contract" with the Burmese government: he keeps his turf clear of Communist insurgents, and the government allows him to deal in opium as he pleases. Lo has had no trouble in keeping up his end of the deal. He maintains a private army of some 5,000 local tribesmen and deserters from Chiang Kai-shek's old Kuo-



RAIDED LAB NEAR MARSEILLE "Chemists" turn morphine into heroin.

mintang 93rd Independent Division. Typically, the big-time operators deal in more than just drugs. After they deliver their opium to smugglers on the Thai border, Lo's huge caravans--often 200 mules and 200 porters, guarded by 600 troops—frequently return to Burma with contraband ranging from trucks and airplane parts to bolts of cloth and auto engines. Lo, says one U.S. official, "doesn't go empty-handed either way.

Similarly, drug traffickers in Uruguay, Argentina, Peru and Brazil dabble on the side in cigarettes, TV sets, whisky, radios and watches. By some accounts. French smugglers are into something far more complex. It is said that the SDECE, France's CIA, has quietly engaged Paris- and Marseille-based smugglers to move arms to a number of Middle East countries. These secret arms shipments are said to enable France to bolster its export arms industry and its influence in the Middle East, while it continues to adhere publicly to its 1968 total embargo on weapons sales to the belligerent nations of the region. The theory goes that arms and ammunition are turned over to established smugglers and shipped in compartments concealed

in specially fitted vehicles. The undercompartments are filled with drugs.

Narcotics experts say that big drug dealers share something approaching a community spirit. On one occasion a trafficker loaned a competitor 20 "keys" (kilos of narcotics) in order to make up a shipment. The real common denominator in the business is an addiction to immense profits. At the labs in Marseille, a dealer must shell out anywhere from \$120,000 to \$350,000 for 100 kilos of heroin refined from Turkish opium. On delivery to a U.S. wholesal-

er, however, the 100-kilo package is

Those profits attract investment funds from a variety of sources. Switzerland is so fretful about an influx of tainted narcotics money that the government has announced a special drive to screen numbered bank accounts for illegal uses. While there is no financial "octopus" for drug money in Switzerland, there are ways in which capital flows into narcotics. Money invested in clandestine companies registered in the name of a "manufacturer's representative" or "legal representative" often

Portrait of a Narc: Death Is Never Far Away

THE 1,610 agents of the Justice De-partment's Bureau of Narcotics and Dangerous Drugs are the advance scouts and front-rank skirmishers in the U.S.'s war on narcotics. The BNDD agent's business is basically intelligence; he deals with small-time pushers and "mules" (couriers), as well as international traffickers, in any number of situations and any number of languages. He must be, in short, the compleat nare.

Roughly 45% of the BNDD's agents are stationed abroad, in as many as 57 countries. They sometimes operate out of a U.S. Embassy or consulate but they have a passion for anonymity and independence. If they work with anyone, it is the local narcotics agents—especially in France. French narcs, says one U.S. agent, "work like we do. It's all inthe approach. They will stay on the job 24 hours a day for as many days as it takes to break a case.'

At any one time, an agent may be working on a dozen cases spread out over several countries. U.S. agents, with budgets that are the envy of their foreign counterparts, depend heavily on informants. Such sources; who have led the way to major busts, have been paid as much as \$30,000-well over the average agent's annual salary. The overseas agent is usually careful to pass his information over to local authorities, and let them make the bust. Abroad, agents must not only be resourceful undercover operators but also diplomats, especially in countries sensitive to U.S. meddling in internal affairs.

One such agent-diplomat is Nick Panella, 39, a graduate of The Bronx, Manhattan's Hunter College, and most of the world's drug trade centers: New York, Rome, Istanbul, Marseille, Montreal and Paris. Dark and compact, Panella describes his appearance as "the stereotype of the Italian wise ass"-a distinct asset in the trade. "Up in East Harlem," he says, "nobody's going to introduce any bright-eyed, 6-ft. Ryan to anybody worth talking to in drugs. But I fit right in. They'll sell to someone who looks like me."

mpartments concealed Panella, who earns \$25,000 a year, still got something to learn from them." Approved For Release 2005/06/22 : CIA-RDP74B00415R000400030066-9

lives with his Italian-speaking wife Sylvia and their three children in a com-. fortable Parisian suburb. In his current role as deputy director of BNDD's key Region 17, which includes Marseille, Panella's wardrobe runs to sporty suits. When he operated as an agent, he added a big pinky diamond and, frequently, a cigar. "By the time you're through with a case," he says, "you sometimes think you're a trafficker. You sure as hell look like one."

The toughest place Panella has worked in was Turkey. Frequently he posed as a buyer and approached the wagon trains by which heavily armed Turkish opium farmers moved their wares at night. "I never made a case in the interior when there wasn't shoot-Panella says, "but nobody ever got hit. The confusion is unbelievable. You just close in when the time comes and grab as many farmers as you can.

"You're always nervous when it begins," says Panella. "You never get usedto those first few minutes—you know, with the guns and all that." The closest call he has ever had was in Beirut, when he arranged the bust of a small-time dealer. "We got to the building where I was going to pick up the stuff. The police were supposed to stay at the top of some long narrow stairs until I climbed up there with the trafficker. But they started to come down too soon. I felt the automatic in my back. When I heard the hammer click, I dived forward and prayed. There were bullets all around, as usual, but none in me—or the smuggler, for that matter. He got away."

Eleven BNDD agents have been killed in the past four years. The chief occupational hazard is the "little guy," who is apt to panic when he finds he has been dealing with an agent. A regular trafficker would "just back off and split," says Panella. "These guys don't like messy stuff." They do not hesitate to rub out a suspected informer.

Many agents admit a respect for "the other team." Says Panella: "It's professional stuff. When you get them, they know you've played a good hand. When they get away, you know you've

finds its way into the drug underworld.

A big operator may never even see the drugs he deals in. They are handled by a small platoon of hirelings: "plant men" who package the stuff, "chemists" who turn morphine base into pure heroin for \$400 a kilo, and "mules" who will carry it to its destination for \$1,000 plus plane fare. The narcotics trade has been a boon to Paraguay's so-called "Mau Mau" pilots. The pilots fly contraband drugs north to the U.S. from Buenos Aires or from any of 500 tiny airstrips that dot Paraguay. The pilots joke that they have a "Cessna 500" (which can carry 500 lbs. of cocaine) or a "Cessna 130" (130 kilos of heroin).

Panama has become the Grand Central Station of Latin American smuggling, partly because it has nearly 100 remote World War II landing strips, partly because it is the closest place to the U.S. with anonymous, Swiss-style Strongman Omar Torrijos and his brother Moisés, who is Panama's Ambassador to Spain.

Latin America poses other worries besides heroin for U.S. narcotics agents, and more serious ones than the tons of marijuana that are smuggled across the border daily. Along the continent's Andean spine, the peasants of Bolivia and highland Peru, who have long chewed the coca leaf for pleasure, are now selling more and more of it as a cash crop -cocaine. The drug, which is psychologically if not physically addictive, has become popular in Europe and in parts of the U.S. Ingersoll worries that "in the long run, the cocaine dilemma is going to be more serious than heroin.'

To really stop the flow of hard drugs, the U.S. must somehow attack the source of supply, a crucial role that has fallen to the State Department. The U.S. outlawed heroin in 1924, becoming

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SWEDISH BILLBOARDS WITH NAMES OF DRUG VICTIMS The outlook is for a protracted and bitter war.

numbered bank accounts. The fact that Panama has 33 major international banks, up from only six in 1963, indicates that those accounts are in heavy demand. Until recently, as many as 20 aircraft a month would arrive in the U.S. from various South American countries via Panama's Tocumen International Airport, where they had been cleared through without any inspection. One of the cleared planes, tracked by U.S. agents to one of the 83 small airstrips that dot southern Florida, was found to have 94 lbs. of heroin aboard.

What could the U.S. narcs do about it? Plenty, as it turned out. One evening in February 1971, the acting Tocumen transit chief, Joaquin Him Gonzáles, a baseball addict, drove into the U.S.-controlled Canal Zone to see a lo-

cal game, and the feds pounced. Flown to remind other governments forcefully. America puts it: "We need 16,000, not to the U.S.Approxed. For Release 2005/06/22: SCIA-RDH74B00415R00040003006639, to stop this traffic. As serving a five-year rap for narcotics con-

one of the first nations to do so. Since then, narcotics have been the target of no less than nine separate international agreements. The latest one, the U.N.'s 1961 Single Convention on Narcotic Drugs, calls for what are essentially voluntary restraints on the cultivation, manufacture, import and export of opium and its derivatives.

Washington, seeking a more muscular approach, is focusing direct diplomatic pressure on a list of 57 governments that are concerned with the narcotics trade in one way or another. Secretary of State William Rogers, who as chairman of a Cabinet-level International Narcotics Control Committee is the top man in the U.S. anti-drug effort, is thus doubly concerned with the role of his department. That has been

Assistance Act the Administration must spiracy in a Texas jail. Washington has cut off aid to countries that do not cooperate in the war on drugs. Out in the

field, U.S. ambassadors have been charged with driving the point home. In Turkey, Ambassador William Handley told friends: "In this embassy, careers depend on getting opium banned." In drug matters, the U.S. has been receiving close cooperation from Yugoslavia and even Bulgaria, but State Department officials gripe that "it's damned hard to get an Italian or a Belgian even to think about pollution, let alone drugs." In Latin America, only Mexico has been really responsive. Chile has flatly refused to help.

Turkey agreed last June to complete a gradual phase-out of its opium-poppy production this year, rather than maintain severely limited production for medical use, as originally planned. The government did not find the decision hard to make, in view of the fact that Washington seemed to hint that the U.S.'s \$140 million Turkish aid program hung in the balance. The U.S. is easing the country's cold-turkey withdrawal from poppy production with \$35 million in special funds, to be used. among other things, for the construction of a sunflower-oil processing plant near former poppy fields. But many Turks are now having second thoughts. Istanbul's influential daily Hürriyet has protested that "we feel sorry for American" heroin addicts, but it is unjust to put the burden on the Turkish economy. With elections looming next year, Premier Ferit Melen's opposition has introduced two bills that would repeal the poppy phase-out. The vote, worried U.S. officials say, "could go either way."

Poppy Problem. The reason is that out on the parched plains of Anatolia. where towns have names like Afyon (opium), the white poppy is central to the local way of life. It is a source of seed, fodder and fuel, of a low-cholesterol cooking oil and of cash. An acre of poppy brings a Turkish farmer \$235 at government prices and even more on the black market; by contrast, wheat brings \$100 an acre at best.

International traffickers have been moving through Anatolia's medieval villages for months, buying and salting away quantities of opium. Says a Turkish narcotics official: "We will still be finding it four or five years from now."

Turkey has been a sobering experience for U.S. opium warriors. "There was at first too much enthusiasm, too much optimism," says Assistant Secretary of State Nelson G. Gross, boss of narcotics affairs at Foggy Bottom. Some Washington officials still talk of achieving a "drastic" reduction in the drug flow within two or three years, but others are skeptical. Veteran agents, among them New York's Daniel P. Casey, doubt that detective work can ever stop any more than 50% of the total drug flow. As a U.S. agent based in Latin fast as we close one route, they come

up with two others.' What is the solution? Nixon has argued that tiApproved Fore Release 2005/06/22: CIA-RDP74B00415R000400030066-9

to end the drug traffic is to end poppy cultivation. The U.S. already has satellites in orbit that can locate poppy fields on the earth's surface. In *The Politics of Heroin in Southeast Asia*, a new study that attempts, with only partial success, to blame U.S. policy for the vigor of the world drug trade, Author Alfred W. McCoy, a Yale graduate student, suggests that Washington might consider paying the hill peoples of the Golden Triangle area not to grow their poppies. If they were paid the going price in the area of \$50 a kilo, by McCoy's reckoning, the cost to the U.S. would be \$50 million.

Tough Strategy. But that is hardly realistic; the dollar has not always served the U.S. well in Indochina, and there is little reason its luck would be any better in the hills of Burma, where the poppy is deeply embedded in the local culture. What are the alternatives then? India, which dominates the world trade in legal opium used in medicine, is widely regarded as having one of the best control programs in the world. That is somewhat mythical, however. In New Delhi, there are 800 registered addicts, served by two government opium shops —but another 30,000 or so unregistered addicts can get opium under the counter at tea stalls or from cigarette vendors in the city.

The U.S. would hardly accept drastic measures like those of China, where opium dealers were shot on sight in the 1950s and 1960s, or Iran, which has a chronic addiction problem. In 1955, when that country was plagued with 2,000,000 addicts in a population of 25 million, the Shah ordered Iran's opium fields burned and addicts bused off to camps for a forced withdrawal program. Addiction dropped way down, but it was only a temporary reprieve. The addict population is back up to 400,000 and still climbing, even though Iranian troops regularly fight gun battles with Turkish and Afghan opium

smugglers along the borders.

The U.S.'s war on heroin is only getting under way, and it is not without its critics, who variously contend that it is too little too late, and that the effort is diffused because some narcotics agents go after marijuana dealers with the same zeal they apply to the heroin traffic. Yet barring any unexpected developments-an international agreement for a total ban on the poppy, say, or discovery of insects that attack the plant, or a medical breakthrough in treatment of addiction-the outlook is for a protracted war. There will be little deviation from the present U.S. strategy of tough, front-door diplomacy with the countries along the drug supply lines and back-alley skirmishing with the traffickers. That strategy will not bring victory in the drug war, but even a draw would be a plus-provided that the respite is used to develop a social and ed-

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Drugs and Death: The Mexican Connection

By Laurence Stern

Washington Post Foreign Service

NUEVO LAREDO, Mexico, Sept. 2-Oblivious to the violence, the American tourists tramp through the sun-baked Early Metro-Goldwyn-Mayer main drag, Guerrero Avenue, pushing their way through the tax-free bazaars heaped with tax-free liquor, cigarettes, cut-rate jewelry and hand-crafted schlock.

Most of them are unaware that two other specialties of this Rio Grande border town are mutilated corpses and narcotics traffic. The relationship between corpses and narcotics is more than a casual one.

The machine gun and the machete have taken the lives of some 85 Mexican police, customs officials, drug pushers and hapless Americans within the past year. It has created what one local journalist ealls a "psychosis of terror" in Nuevo Laredo.

Day after day the newspapers have published photographs of the blood-spattered or decapitated remains of the latest victims of the violence. One of the newspapers, La Manana, had its plant machine-gunned and its presses sabo-. taged late last year as an admonition against identifying local hoodlums.

- Violence has long been endemic to the Mexican border, where men still slouch at the bar with guns tucked under their belts. But the level of bloodshed has far surpassed even Nuevo Laredo's gory standards of tolerance.

The underlying reason for the violence of Nuevo Laredo has been its emergence as the principal "Mexican connection" along the 1,200mile Texas-Mexican border for the smuggling of heroin, opium, cocaine and marijuana into the United States.

Mexico itself has, in the view of veteran narcotics officials, become the principal narcotics pipeline because of the tightened sur-

veillance of the ports of entry along the American eastern seaboard and the Canadian border.

And Nuevo Laredo now lies along a major narcotics thoroughfare that northward from Mexico City and Monterrey along Highway 85 funneling into the valley of Texas.

The border region is a sieve to smugglers. Thousands of cars and pedestrians swarm across the international bridge into Larede each day. In many places the Rio Grande can easily be forded by a determined man with a backpack.

There are many points at which cotton grows and cattle graze in the riverbed and a truck can drive across its width. Hundreds of small, private planes used for crop-dusting and ranch-toranch transport can easily be converted into drug confickers as well as the tough the murder of Perales, ve Approved For Release 2005/06/22: CIA-RDP74B06413R08040030068-9

have traditionally tended to right enterprise. wink or doze or enrich themselves,

gerous Drugs has met with Laredo's drug smuggling un-Mexican Attorney General derworld. Pedro J. Ojeda Paullada. Kleindienst.

has rarely run so thick on rest both sides of the border. But lums." at the operational level—on the frustrations of the lawmen, both American and Mexican, are considerable.

One narcotics official, speaking of recent reverses in the joint campaign to reduce the drug flow across the border, refers despondently to the "Mexican disconnection".

Such is the setting in which the violence has flourished here for more than a year between police and rival gangs, such as the Reyes Prunedas and the Gayton clans, who once feuded fiercely for control of the lucrative drug stream that flowed along Highway 85 past their ranches.

Police on both sides of the border as well as knowledgeable residents of Nuevo Laredo identify the principal figure in the town's underworld elite as Francisco Javier Bernal Lopez, who seems to relish the two nicknames that the press has conferred upon him: El Padrino (the godfather) and El Abogado del Diablo (the devil's advocate).

heavy-set, moustachioed man Federal Police Commandant of imposing presence who Everardo Perales Rios, who habitually carries a gun in had run an aggressive camhis belt and sometimes a paign against drug smughis shoulder. He openly ac- ure that ended with his knowledges that his clien-death. tele consists of drug traf-

Within the past year the pistoleros, or hired guns. Nixon Administration has who drift up from the interisought to prod the Mexican or's farmlands to make a government into stricter en- quick dollar and others enforcement activity in an gaged in what is not convenarea where police officials tionally considered as up-

Bernal emerged from obscurity some 10 months ago President Nixon has con- to preside over the feuding ferred with Mexican Presi- criminal factions in this bordent Luis Echeverria. Direc- der region. Police and Mexitor John E. Ingersoll of the can federal authorities as-Justice Department's Bu cribe to him an important reau of Narcotics and Dan. role in governing Nuevo

"He is the only one with Ojeda's son summered this the brains to run the organiyear with the family of U.S. zation," said one high-rank-Attorney General Richard ing Mexican law enforce-Kleindienst. ment official sent here to bring the lawless state of af-The amity, at least at the bring the lawless state of af-highest level of officialdom, fairs under control. "The are illiterate hood-

Bernal denies the accusathe streets of Nuevo Laredo tions. He replies that the CIA and FBI were responsible for some of the killings. "I do my work, and my work is defending people," Bernal said at a recent street corner press conference.

> He also contends that in several drug seizures and arrests Mexican police stood back while more aggressive U.S. narcotics agents took the initiative. It is Bernal's one accusation that some enforcement officials concede is not wholly without foundation.

> Under the protocols governing American narcotics operations here, U.S. agents can offer various forms of assistance at the request of Mexico. Such acts of assistance, say knowledgeable officials, have at times taken an active form. This was recently made evident by underworld threats here to kill an American agent assigned to work with Mexican federal police.

Authorities questioned Bernal last Tuesday for more than two hours on events that led up to the as-Bernal, an attorney, is a sassination last July 28 of .45 caliber machine gun at gling during a six-week ten-

The murder of Perales,

edo to head the MeApproxed For Release 2005/06/22 CIA-RDP74B,00415B0004000380066-9 ederal federal policy presence in the state of Tamaulipas, ales' successor, Antonio ico and of heroip into the state of the state was a signal event in the border drug war.

During his short-lived in-Commandant cumbency, Perales hauled in more drugs than had been seized in Nucvo Laredo in the previous quarter of a century according to narcotics officials, including about two pounds of heroin with a retail value of \$200,000, three tons of marijuana and caches of cocaine and

"He was, for a change, a man with whom we could work effectively," said one high-ranking U.S. narcotics official.

As the pace of his antismuggling activities picked up momentum, there were threats both against Perales and against an American narcotics agent working with him along the border. Word filtered back that a \$3,000 contract had been issued on the U.S. agent's life and his superiors in the Eureau of Narcotics pulled him. back above the border.

On the evening of July 28 Perales pulled out of the Federal Building in a borrowed 1972 Camaro and he drove less than 12 blocks when a red Mustang pulled alongside and there was a burst of machine-gun fire. Four .45 caliber slugs tore and U.S. Attorney General. through the commandant's head and his car careened into a fence.

Two days before the assassination, in a development that mystified law enforcement officials close to the case, the Mexican government sent out word that Perales had been fired from his position as Federal Police Commandant of Tamaulipas State for misconduct in his job. The young Federal Prosecutor who worked with him on the drug cases, America Melendez Reyna, was also called back to Mexplained.

widow and family were not duty of 100 per cent. A cuseven provided with trans. toms efficial, on the other, eral troops and police portation to follow the hand, can cap him for 50 hearse to the grounds. A relative had to him pass. hail a passing cab to pursue Perales.

But the response to the as- tual 1 was to assign the full com- it is the plement of 200 soldiers in lubrica

Peral Ocea. A succession of United States. special investigators from the attorney general's office twon Nitevo Laredo lies the 110 degree afternoon heat in showed up in Nuevo Laredo "zone of tolerance," a gaudy to consult on the case.

central government in Mex- is lifted. The zone, an easis ico City the border is a re- of bars, nightclubs and mote and somewhat ungov- brothels, has its own private ernable hinterland that has gendarmerie to handle unymous rule by local inter- ruly tourists and sudden ests. And the reigning eco- shoot-outs. nomic interests in Nuevo Laredo, as in many other to drink and watch the Amaborder towns, are tourism zoman anties of Yolande, a and smuggling-principally 6-foot-4 entertainer who can dope smuggling.

ceive the equivalent of \$280 thanks to extraordinary a month and must pay their muscular control. Others own hotel bills and other come to the zone for a readtravelling expenses. In the ily available heroin hit. Mexican border region food and board costs nearly as authorities were planning a much as on the American major strike operation side of the line. The agents against members of drug get neither guns nor cars, trafficking gangs thought to Their susceptibility to minor be holed up in a group of and major acts of corruption ranches with their private is hardly kept to a mini army of some 70 pistoleros.

fices of the FBI Director the demand.

gambling debts of more general's staff showed up in Vegas) but the Mexican government is still grappling out plans for the assault be with more humble and commonplace instances of corruption.

The system of morditathe literal translation is "little bite" and it refers to bribery-still is a dominant way of life.

If a Mexican national ico City under circum- washes to bring an American stances not yet fully ex-refrigerator or automobile from the United States, he After his funeral the is legally obligated to pay aburial per cent of the price and let

For financiallythe the disappearing remains of pressed customs agent and the purchaser there is a muial benefit in

tenderloin district where Through the eyes of the the thin facade of civil rule

Some visitors are content smoke a pipe or eigarette in Mexican federal agents re. the cleavage of her besom

Earlier this week Mexican

Because of the absence of In 1970 the head of the cars for the Mexican police, Mexican Federal Judicial officials planning the strike had to rent 11 station wa-Dominguez, was arrested in gons from the Hertz Co. as San Autonio with 89 pounds of heroin (retail value \$44 states of heroin (retail value \$44 states of heroin) from French states of heroin," one official cources. His position corre- explained. The Mexican govsponded to the combined of- ernment was unable to meet

At the moment plans for His was perhaps the most the attack have been susextreme illustration of officempleations have arisen. A cial corruption (he ran up new member of the attorney than \$1 million in Las Nuevo Laredo and asked deferred until further consultation was held with Mexico City.

> Last Wednesday Mexican officials were requesting aerial reconnaissance help from the U.S. Bureau of Narcotics as well as police radios to coordinate the ground action. Suddenly interest in the project cooled. Cooperating. U.S. officials are reported to be baffled by the turnabout.

Today the Mexican fed-

freely in an adjoining park. Several miles from down-. Or they doze during the abandoned cars in the sunken courtyard of the Federal Building.

In the park the water fountains don't work and the grass grows over the feet of the statues. The citizens of Nuevo Laredo await the next installment of violence with a sense of apprehension that has become permanent.

"First the people were terrified," related one newspaperman with 20 years of reporting experience on the border. "Then last month when the soldiers came, the Mafia was terrified. But I am afraid the Mafia is here to stay. Too many people are involved."

sassination in Mexic Approved For Release 2005/06/22: CIA-RDP74B00415R000400030066-9 oss border

The Politics Of Heroin in Southeast Asia^{*}

By Alfred W. McCoy. With Cathleen B. Read and Leonard P. Adams II, Illustrated, 464 pp. New York: Harper & Row. \$10.95.

By JAMES M. MARKHAM

It looks as though Papaver somniferum, the rather beautiful opium poppy, is going to provide us with a new genre of film, fiction, journalism and, even, scholarship. This is understandable. Heroin addiction is savaging our cities. "Any nation that moves down the road to addiction, that nation has something taken out of its character," President Nixon observed last March shortly after his return from China, once the most addicted of nations. Mr. Nixon has declared "war" on heroin at homeand galvanized his emissaries abroad. In certain parts of the world, American diplomats now give almost monomaniacal attention to persuading frequently indifferent or corrupt officials to do something about poppy cultivation, heroin refining and heroin trafficking.

Moreover, from the perspective of a journalist or film-maker, the subject is a natural, replete with ignorant hill tribesmen hacking away at their poppy fields in remote corners of Asia, ragtag paramilitary smugglers leading vast mule caravans across cloud - shrouded mountains, shadowy Chinese middlemen bribing high-ranking officials to look the other way, cosmopolitan Corsican intriguers arranging for stewardesses to strap on "body packs" of No. 4 herein and fly to New York, intrepid undercover agents trying to foil all of the aforementioned and-last, but by no means least important—the junkies on our streets, symptoms and carriers of disquieting diseases.

This book, the first work of nearscholarship in the new genre, comes to us redolent of controversy [see The Last Word]. Before it was even in gal-

James M. Markham, who was a correspondent for The Associated and if the C.I.A. had not sponsored spiring General Quane "to play Press in South Asia and Africa, now Release 2005/06/22 at QIA: RDP74B00415R00040000066-9mreports frequently on drug problems strikebreakers on the Marseilles for The Times.

leys-on June 1-the Central Intelligence Agency dispatched an employe well-deserved oblivion and never to Harper & Row in New York to warn gotten into heroin trafficking. the company that the book could well. be inaccurate, libelous and "damaging mour Hersh (who unearthed the to the interests of this country," according to the recollection of Executive Editor M. S. Wyeth. The next day Alfred McCoy testified before a Senate subcommittee about alleged involvement of high-ranking South Victnamese officials, Air America and others in the opium business. Alarmed, the C.I.A.'s General Counsel, Lawrence R. Houston, stepped up the pressure, and is great." Well they might. For McCoy on July 5 asked to "see the text prior has done his homework, and, unlike to publication" in order to point out its inaccuracies.

the understanding that the publishers would be under no obligation to are not. make any changes. The mountain at "underwhelmed" the editors (who ap- for example, peared to have been concerned mainly about libel suits) and they decided to proceed with the publication of

The C.I.A.'s clumsy interventionparticularly when linked to its ongoing efforts to prevent a former agent, Victor L. Marchetti, from even writing a book about the Agency for Alfred A. Knopf-is seriously disturbing. So is Harper & Row's submission of the book for prepublication criticism; it sets a worrving precedent even if the company maintains, as it does, that this was a special case. But the C.I.A. assaulted the McCoy book like a bull lunging at a matador's outstretched cape. For what the 27-year-old Yale graduate student has given us is not-as advertised-an expose of "C.I.A. involvement in the drug traffic" but rather a fascinating, often meticulous unraveling of the byzantine complexities of the Southeast Asian opium and heroin trade. To be sure, McCoy weaves a New Left anti-C.I.A. leitmotif throughout his pages and at times lapses into the error (usually made by angry non-Americans) of crediting American espionage with history-bending powers. Thus, in the early (and weakest) chapters of the book we are led to believe that if the O.S.S. had not backed the Mafia in Sicily at the end of World War II and if the C.I.A. had not sponsored

waterfront, these two underworld

groups would have subsided into

As a former C.I.A. agent told Seypre-publication fiasco), McCoy's assertions are "10 per cent tendentious and 90 per cent of the most valuable contribution I can think of." "He's a very liberal kid," the ex-agent continued, "and he'd like to nail the establishment. But some leading intelligence officers inside the Govern-. ment's program think that his research most authors of books about spooks and mobsters, he gives us a rich set In a display of post-Irving caution of footnotes. It is too bad they are and over the author's objections -- not at the bottom of the pages, be-Harper & Row agreed on July 19 to cause this is a book to be read in let the C.I.A. consider the galleys for tandem with its footnotes. Some asa week and submit its criticisms, on sertions in the text are stronger than the footnotes they rest on; many

The book's strength does not lie Langley, Va., labored and produced in its finger-wagging approach to hisa mouse. The 1,500-word critique tory, but in its astounding-but-true the Agency returned to Harper & tales of exotic rivalries that make up Row on July 28 understandably the heroin trade. Have you ever heard,

> of the Battle of Ban Khwan, the Opium War of 1967? In June of that year, Chan Sheefu, a half-Burmese, half-Chinese warlord from Lashio in Burma, dispatched a . caravan carrying 16 tons of raw opium to the east, destined for Gen. Ouane Rattikone, commanderin-chief of the Royal Laotian Army. But two ex-Kuomintang generals, Tuan Shi-wen and Ly Wen-huan, whose "armies" had almost without challenge dominated the opium trade, formed a thousand-man expeditionary force to intercept and destroy the upstart's caravan whose "single-file column of five hundred men and three hundred mules stretched along the ridgelines for over a mile."

> After an inconclusive skirmish with the Kuomintang marauders, the Shan opium smugglers crossed the Mekong River and dug in at Ban Khwan, a Laotian lumber town. As the two sides readied for battle, General Ouane ordered them both to clear out of Laos. "The KMT scornfully demanded \$250,000 to do so, and Chan Shee-fu radioed his men from Burma, ordering them to stay put." Fighting began between the Shan and KMT forces, inspiring General Ouane "to play

mander in chief defending his million G.I.'s been sent to Vietnation's territorial integrity." He dispatched six T-28 prop fighters to deal with the intruders, displaying "all the tactical brilliance one would expect from a general who had tling to the Far Eastern conjust received his nation's highest state decoration, The Grand Turkish source was being Cross of the Million Elephants phased out, there was a rise and the White Parasol.'

Two solid days of bombing and strafing sent 400 surviving Shans piling into the Mekong River and back to Burma, but the fleeing KMT troops were cut off by Laotian army units. Meanwhile, Laotian paratroop-. ers had scooped up the big prize, the 16 tons of opium. But, as McCoy points out, this picaresque clash "appears to have been a turning point in the growth of Southeast Asia's drug traffic....General Ouane's troops won the right to tax Burmese opium entering Laos, a prerogative formerly enjoyed by the KMT, and the Ban Houei Sai region [of Laos] later emerged as the major processing center for Burmese opium."

The book's theme (as disthe individual tinct from scandals the C.I.A. hoped to rebut when it asked to "see heroin while "war" is waged the text") is that when the against addiction.

United States moved into the Indochinese vacuum left by ing book at the end with an the French, it picked up, and struck, álliances with shaky governments, politicos mercenaries (like the Kuomintang remnants in Burma) that earned a good deal of money from opium smuggling. And-since it was only a year ago that President Nixon declared war on heroin-for a long time American diplomats and C.I.A. agents had considered opium trafficking by their client allies a quaint local custom that didn't interfere with the war against Communists. Thus, for example, it was natucarry Meo opium in Laos. (In attempting to rebut this point in its correspondence with Harper & Row, the C.I.A. was disingenuous. In its own rebuttal of the C.I.A. "rebuttal," the publishers simply quoted Nelson Gross, the senior State Department adviser on narcotics, who had conceded the point in an interview with The Christian Science Monitor.)

Opium-dealing by America's allies might have remained a relatively benign phenomenon to build up their strength (for Americans) had held a half a half for the lease 2005/06/22 mee A-RDP74B00415R000400030066-9

nam-and had not American pressure on the Turks to get out of the opium-growing business sent the ubiquitous Corsicans and other traffickers scutnection. As the traditional in the amount of Asian heroin coming into the United States in 1970 and 1971. McCoy exaggerates the size of this flow in order to indict American policy-makers for not putting the screws on their Thai, Laotian and South Vietnamese allies in the war. But he rightly points out that criticism of the G.I. heroin epidemic has unduly focused on the Army's efforts to combat it, when in fact it was South Vietnamese protection of the heroin racket that insured an abundant supply of the drug. And one thing we do know about drug epidemics is that they spread fastest when supply is great; the G.I. epidemic is a striking case in point, and one of the saddest ironies of this irony-ridden war. Ali across America today, ex-G.l.'s are turning on others to

But McCoy flaws his pioneerastonishingly simple - minded chapter entitled "What Can Be Done?" which rejects both addict rehabilitation and the prosecution of traffickers and endorses eradication of the elephants and nuocmam. The a few home truths need to be at home, not abroad. underscored. The first is that the Burmese Government, as McCoy shows, is unable to control the miniature Kuomintang armies that still dominate the trade and in fact permits opportunistic KKY militia units to traffic in opium in order

to build up their strength

rebel groups. Pursuing a hermitlike foreign policy, Burma, which is thought to produce 400 of the 700 tons of opium grown in the Golden Triangle, is going to be growing it for a long time.

More important, however, is the fact, conveniently ignored by McCoy, that American addicts consume only a fraction of the world's illicit opium. According to the Bureau of Narcotics and Dangerous Drugs, 1,200 to 1,500 tons of opium are produced illicitly around the world every year. American addicts are thought to need only 60 to 100 tons of opium a year to feed their habits-that is, six to 10 tons of heroin. This amount of opium can be grown on five to 10 square miles of arable, upcountry land-in Burma, in India, in Turkey, in Mexico, in Ecuador. We are not going to stop Papaver somniferum from growing around the world, and even if gypsy moths providentially consumed every poppy extant, it would not be long before underworld chemists were turning out oxycodone, hydromorphone and oxymorphone—synthetic ates used in medical compounds which established addicts are unable to distinguish from hero-

International efforts to encourage a reduction in poppy acreage should not be deopium poppy as the solution to bunked. But we should not in-America's heroin epidemic. It vest high hopes or, when it is a pit unfair to focus on this comes to a choice, excessive brief concluding chapter, but resources in such undertakings. many Americans are going to The best we can hope for on read "The Politics of Heroin "the supply side of the equain Southeast Asia" and discover tion," as the narcs call it, is a a new set of bad guys-and a reduction of availability on the new panacea. When the French street-fewer kids experimentweren't doing enough about the ing with heroin and getting Marseilles heroin laboratories, hooked. Meanwhile, we should ral that Air America would people boycotted Châte auneuf- not become preoccupied with du-Pape; next we can expect the glamorous, internationalcries for high tariffs on ceramic intrigue facet of the heroin problem. We will have to rehas great potential for hysteria; solve the problem, pace McCoy,

3 September 1972 Approved For Release 2005/06/22 : CIA-RDP74B00415R000400030066-9 The C.I.A. as Book Reviewer

By RICHARD R. LINGEMAN

Time was when the Central Intelligence Agency was accused of some particularly dirty trick by the press it would reply blandly, "The C.I.A. neither confirms nor denies the charge." Recently, however, the agency has departed from its customary inscrutability; it has doffed the cloak, drawn the dagger and intervened openly in the book-publishing process. The most publicized of these interventions has been its demand to examine, prior to publication, the manuscript of "The Politics of Herein in Southeast Asia," by Alfred W. McCoy, which as the review in this issue points out, makes some serious allegations about the C.I.A.'s inadvertent involvement in the heroin traffic. In another less publicized case, the agency enjoined a book by a former agent named Victor Marchetti which had been contracted for but not yet written.

The background of the McCoy affair is, briefly, this. After Mr. McCoy's charges had become public knowledge in June, Cord Meyer Jr., a C.I.A. official, called on Harper & Row and reportedly raised questions regarding the book's accuracy, libel and the national interest. On July 5, the C.I.A. formally asked to see the manuscript, saying that "Mr. McCoy's claims . . . are totally false and without foundation"; libel and the national interest were not mentioned. On July 19, Harper & Row, through its counsel B. Brooks Thomas, agreed to make the manuscript available under certain conditions (including confidentiality) despite the firm's belief that "Mr. McCoy's scholarship is beyond reproach." In addition Mr. Thomas wrote, "We do not mean to imply that we will make changes in the work because you request them or even because you believe the statements made to be harmful to some agency of our government."

The C.I.A. critique of the manuscript was sent on July 28; in its reply of Aug. 4, Harper & Row, after consultation with the author, made a rather devastating pointby-point refutation and announced it would publish the book unchanged.

So what is the problem? After all, submitting books to prior review by experts in the field is nothing new. It is done frequently by scholars who send early drafts to colleagues in their field for criticism. To inject a personal note, I

Last Word

wrote a book on drug abuse and was glad that an expert read it over for possible errors. And, of course, Harper & Row read "by independent authorities" before ' the C.I.A. entered the picture.

rassing—so embarrassing that they jarred low profile. Letters from high C.I.A. officials were fired off to The Washington Mr. Marchetti's behalf. Star and Harper's magazine, which had published some of Mr. McCov's material. attempting to impeach his veracity. The battle lines were clearly drawn.

It should be made clear at this point that Mr. McCoy's book does not raise problems of classified information or national security. Although a C.I.A. representative reportedly mentioned libel and the national interest at one point, these words did not come up in their official letter of July 5-probably because there were no grounds for urging them. It is curious, then, that in a letter to The Village Voice defending Harper & Row's action, Mr. Thomas summoned up the spectre of possible legal action. "One of the reasons for volunteering the book," he wrote, "was in the hope of avoiding such expense [of a trial] by convincing the C.I.A. that they had no case for court action."

And yet Cord Meyer told The Times's Seymour Hersh, "We at the agency at no time thought we had any right to suppress the book." Certainly there is no threat of legal action in the Harper & Row-C.I.A. correspondence; if avoidance of a court battle was one of its motives, Harper & Row was being super-cautious, to say the least.

In any case, it is not the universal practice in publishing to let the C.I.A. review every book about it before publication. According to Robert Bernstein president of Random House, his company twice refused such requests.

That there are circumstances under which the C.I.A. wants to play the role of pre-censor is shown by the Marchetti case. Mr. Marchetti, who had already written an unimpressive novel about a C.I.A. man, signed a contract with Alfred A. Knopf for a nonfiction work about the to accede to the publisher's suggestion agency. In April the agency went to court and got an injunction against the book on the grounds that as a former says that "The Politics of Heroin" was employe of C.I.A. Mr. Marchetti had signed a secrecy oath and must obtain C.I.A. permission before the book is pub-But the case of McCoy v. the C.I.A. is lished. The case raises several interesting distinguishable, as the lawyers would say. questions: Can a man contract away his Because of the highly secretive nature of First Amendment rights? Are former emthe C.I.A.'s operations, the information ployes under a blanket prohibition from uncovered by Mr. McCoy could only have writing anything about the C.I.A.? And been obtained by independent investiga- what of the public's right to know more tion. Further, Mr. McCoy's allegations about the C.I.A. than they do now? Must were taken by the C.I.A. as highly embar- Mr. Marchetti confine himself to anonymous tips to Jack Anderson? At any rate, the agency into abandoning its traditional the case is now on appeal, with the American Civil Liberties Union acting in

As for Mr. McCoy's book, clearly h and the C.I.A. are in an adversary rela tionship; the only seemly place for ther to fight it out is in the marketplace o ideas, not in the privacy of the publisher' office. No interest could be served by having the C.I.A. go over the manuscrip prior to publication; it is like puttin one's head in a man-eating tiger's mout to verify if he is hungry. Pre-review by a governmental agency, where the line of difference are as clearly drawn as the are here, is next door to prior restrains Harper & Row may argue that it retained the final say throughout, but in fact i caved in and acted under a principle by which any governmental agency criticize by a book could demand to see it, cas doubts on the author's integrity with it own version of the "facts" (this at a tim when publishers' memories of the Irvin hoax are still fresh) and perhaps ever cause its suppression if the publisher i timid and the author refuses to mak changes. Governmental agencies, include ing the C.I.A., are not by definition liars but in some cases a plausible version o the truth that differs from "official" trut will surface; it should be protected, rathe than submitted to bureaucratic bullying. 5

The Politics A movie natural with a northand of A

Of Heroin in Southeast

By Alfred W. McCoy. With Cathleen B. Read and Leonard P. Adams II. Illustrated, 464 pp. New York: Harper & Row. \$10.95.

By JAMES M. MARKHAM

It looks as though Papaver somniferum, the rather beautiful opium poppy, is going to provide us with a new genre of film, fiction, journalism and, even, scholarship. This is understandable. Heroin addiction is savaging our cities. "Any nation that moves down the road to addiction, that nation has something taken out' of its character," President Nixon observed last March shortly after his return from China, once the most addicted of nations, Mr. Nixon has declared "war" on heroin at homeand galvanized his emissaries abroad. In certain parts of the world, American diplomats now give almost monomaniacal attention to persuading frequently indifferent or corrupt officials to do something about poppy cultivation, heroin refining and heroin trafficking.'

Moreover, from the perspective of a journalist or film-maker, the subject is a natural, replete with ignorant hill tribesmen hacking away at their poppy fields in remote corners of Asia, ragtag paramilitary smugglers leading vast mule caravans across cloud-shrouded mountains, shadowy Chinese middlemen bribing

James M. Markham, who was a correspondent for The Associated Press in South Asia and Africa, now reports frequently on drug problems for The Times.

1972, The New York Times Co. Al

A movie natural, with a part for the C.I.A.

high-ranking officials to look the other way, cosmopolitan Corsican intriguers arranging for stewardesses to strap on "body packs" of No. 4 heroin and fly to New York, intrepid undercover agents trying to foil all of the aforementioned and-last, but by no means least important-the junkies on our streets, symptoms and carriers of disquieting diseases.

This book, the first work of nearscholarship in the new genre, comes to us redolent of controversy [see The Last Word]. Before it was even in ga!leys-on June 1-the Central Intelli-🔾 gence Agency dispatched an employe to Harper & Row in New York to warn the company that the book could well be inaccurate, libelous and "damaging to the interests of this country," according to the recollection of Executive Editor M. S. Wyeth. The next day Alfred McCoy testified before a Senate subcommittee about alleged involvement of high-ranking South Vietnamese officials, Air America and others in the opium business. Alarmed, the C.I.A.'s General Counsel, Lawrence R. Houston, stepped up the pressure, and on July 5 asked to "see the text prior to publication" in order to point out its inaccuracies.

—and over the author's objections— Harper & Row agreed on July 19 to let the C.I.A. consider the galleys for a week and submit its criticisms, on a very liberal kid," the ex-agent conthe understanding that the publish- tinued, "and he'd like to nail the the book.

going efforts to prevent a former are not. agent, Victor L. Marchetti, from even writing a book about the Agency in its finger-wagging approach to hisfor Alfred A. Knopf-is seriously tory, but in its astounding-but-true disturbing. So is Harper & Row's sub-tales of exotic rivalries that make up mission of the book for prepublica- the heroin trade. Have you ever heard, tion criticism; it sets a worrying for example, a

precedent even if the company maintains, as it does, that this was a special case. But the C.I.A. assaulted the McCoy book like a bull lunging at a matador's outstretched cape. For what the 27-year-old Yale graduate student has given us is not-as advertised-an expose of "C.I.A. involvement in the drug traffic" but rather a fascinating, often meticulous unraveling of the byzantine complexities of the Southeast Asian opium and heroin trade. To be sure, McCov weaves a New Left anti-C.I.A. leitmotif throughout his pages and at times lapses into the error (usually made by angry non-Amchans) of crediting American espionage with history-bending powers. Thus, in the early (and weakest) chapters of the book we are led to believe that if the O.S.S. had not backed the Mafia in Sicily at the end of World War II and if the C.I.A. had not sponsored Corsican mobsters as anti-Communist strikebreakers on the Marseilles waterfront, these two underworld groups would have subsided into well-deserved oblivion and never gotten into heroin trafficking.

As a former C.I.A. agent told Seymour Hersh (who unearthed the In a display of post-irving caution pre-publication fiasco), McCoy's assertions are "10 per cent tendentious and 90 per cent of the most valuable contribution I can think of." "He's ers would be under no obligation to establishment. But some leading inmake any changes. The mountain at telligence officers inside the Govern-Langley, Va., labored and produced ment's program think that his research a mouse. The 1,500-word critique is great." Well they might. For McCoy the Agency returned to Harper & has done his homework, and, unlike Row on July 28 understandably most authors of books about spooks "underwhelmed" the editors (who ap- and mobsters, he gives us a rich set peared to have been concerned main- of footnotes. It is too bad they are ly about libel suits) and they decided not at the bottom of the pages, beto proceed with the publication of cause this is a book to be read in tandem with its footnotes. Some as-The C.I.A.'s clumsy intervention— sertions in the text are stronger than particularly when linked to its on- the footnotes they rest on; many

The book's strength does not lie

continued

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of the Battle of Ban Khwan. the Opium War of 1967? In June of that year, Chan Sheefu, a half-Eurmese, half-Chinese warlord from Lashio in Burma, dispatched a caravan. carrying 16 tons of raw opium to the east, destined for Gen. Ouane Rattikone, commanderin-chief of the Royal Laotian Army. But two ex-Kuomintang generals, Tuan Shi-wen and Ly Wen-huan, whose "armies" had almost without challenge dominated the opium trade, formed a thousand-man expeditionary force to intercept and destroy the upstart's caravan whose "single-file column of five hundred men and three hundred mules stretched along the ridgelines for over a mile."

After an inconclusive skirmish with the Kuomintang marauders, the Shan opium .smugglers crossed the Mekong over and dug in at Ban iwan, a Laotian lumber town. as the two sides readied for attle, General Ouane ordered them both to clear out of Laos. The KMT scornfully demanded \$250,000 to do so, and Chan Shee-fu radioed his men from Burma, ordering them to stay put." Fighting began between the Shan and KMT forces, inspiring General Ouane "to play the part of the outraged commander in chief defending his nation's territorial integrity." He dispatched six T-28 prop fighters to deal with the intruders, displaying "all the tactical brilliance one would expect from a general who had just received his nation's highest state decoration, 'The Grand Cross of the Million Elephants and the White Parasol."

Two solid days of bombing and strafing sent 400 surviving Shans piling into the Mekong River and back to Burma, but the fleeing KMT troops were cut off by Laotian army units. Meanwhile, Laotian paratroopers had scooped up the big prize, the 16 tons of opium. But, as McCoy points out, this picaresque clash "appears to have been a turning point in the growth of Southeast Asia's drug traffic.... General Ouane's troops won the right to tax Burmese opium entering Laos, a prerogative formerly enjoyed by the KMT, and the Ban Houei Sai region [of Laos] later emerged as the major processing center for Burmese opium."

The book's theme (as distinct from the individual scandals the C.I.A. hoped to rebut when it asked to "see Done?" which rejects both ad vest high hopes or when it the text") is the text") is the text" is the text of text of the t

the French, it picked up, endorses eradication of the-and struck, alliances with opium poppy as the solution to Kuomintang remnants in Burma) that earned a good deal
of money from opium smuggling. And—since it was only
a year ago that President Nixon
declared war on heroin—for a
long time American diplomats
and C.I.A. agents had considared opium trafficking by their disingenuous. In its own retroi the miniature Kuomintang buttal of the C.I.A. "rebuttal," armies that still dominate the the publishers simply quoted trade and in fact permits op-Department adviser on nar- to traffic in opium in order cotics, who had conceded the to build up their strength point in an interview with The against several anti-Government Christian Science Monifor.)

allies might have remained a relatively benign phenomenon (for Americans) had not a half million G.I.'s been sent to Vietnam--and had not American pressure on the Turks to get out of the opium-growing business sent the ubiquitous Corsicans and other traffickers scuttling to the Far Eastern connection. As the traditional Turkish source was being phased out, there was a rise in the amount of Asian heroin; coming into the United States in 1970 and 1971. McCoy exaggerates the size of this flow in order to indict American policy-makers for not putting the screws on their Thai, Laotian and South Vietnamese allies in the war. But he rightly points out that criticism of the G.I. heroin epidemic has unduly focused on the Army's efforts to combat it, when in fact it was South Vietnamese protection of the heroin racket that insured an abundant supply of the drug. And one thing we do know about drug epidemics is that they spread fastest when supply is great; the G.I. epidemic is a striking case in point, and one of the saddest ironies of this irony-ridden war. All across America today, ex-G.I.'s are turning on others to heroin while "war" is waged against addiction.

But McCoy flaws his pioneering book at the end with an astonishingly simple - minded chapter entitled "What Can Be

shaky governments, politicos America's heroin epidemic. It and mercenaries (like the is a bit unfair to focus on this resources in such undertakings. Kuomintang remnants in Burbrief concluding chapter, but The best we can hope for on cred opium trafficking by their people boycotted Châte auneuf- not become preoccupied with client allies a quaint local cus- du-Pape; next we can expect the glamorous, internationaltom that didn't interfere with cries for high tariffs on ceramic intrigue facet of the heroin the war against Communists, elephants and nuocmam. The problem. We will have to re Thus, for example, it was natu- international war on the poppy solve the problem, pace McCoy ral that Air America would has great potential for hysteria; at home, not abroad. carry Meo opium in Laos. (In a few home truths need to be attempting to rebut this point underscored. The first is that in its correspondence with the Burmese Government, as Harper & Row, the C.I.A. was McCoy shows, is unable to con-Nelson Gross, the senior State portunistic KKY militia units rebel groups. Pursuing a hermit-Opium-dealing by America's like forcign policy, Burma, which is thought to produce 400 of the 700 tons of opium grown in the Golden Triangle, is going to be growing it for a long time.

More important, however, is the fact, conveniently ignored by McCoy, that American addicts consume only a fraction of the world's illicit opium. According to the Bureau of Narcotics and Dangerous Drugs, 1,200 to 1,500 tons of opium are produced illicitly around the world every year. American addicts are thought to need only 60 to 100 tons of opium a year to feed their habits-that is, six to 10 tons of heroin. This amount of opium can be grown on five to 10 square miles of arable, upcountry land-in Burma, in India, in Turkey, in Mexico, in Ecuador. We are not going to stop Papaver somniferum from growing around the world, and even if gypsy moths providentially consumed every poppy extant, it would not be long before underworld chemists were turning out oxycodone, hydromorphone and oxymorphone-synthetic opiates used in medical compounds which established addicts are unable to distinguish from heroin,

International efforts to encourage a reduction in poppy acreage should not be debunked. But we should not in-

WASHINGTON, D.C.

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When the Embarrassed Chuckling Stopped

Our Allies, Opium, and the CIA

By Michael T. Malloy

We were just about to take off from one of the many secret airstrips the Central Intelligence Agency had cut into the mountains of northern Laos, when a tribal soldier hurried up, spoke briefly to an American CIA agent, and threw a big, white canvas bag aboard. I already half knew the answer, but as we buckled our seat belts I asked the agent what was in

He looked embarrassed. "Opium," he said.

Embarrassment was the strongest emotion that American officialdom showed a decade ago if anyone mentioned the wide-open dope traffic conducted by our allies in Southeast Asia. Narcotics smug-

gling was more often viewed with amused tolerance as just another Asian peccadillo like corruption, gold smuggling, and night clubs that advertised "Twenty Fresh Girls Just Arrived From Bangkok With Medical Certificates."

White slavery and gold smuggling still rate little more than an embarrassed chuckle at some of our Southeast Asian embassies ("we're here to fight communism, not to play missionary"), but narcotics is something else.

The epidemic of opium-based heroin that struck our armies there in 1970 and the frightening inroads the drug has made among high-school students at home have turned that amusing peccadillo into a deadly menace to our own national well-

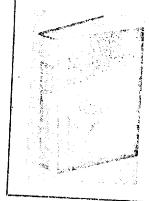
Free Publicity

So The Politics of Heroin in Southeast Asia couldn't have been published at a worse time for the men who direct our policies in that bloody and controversial corner of the world. Newspapers, magazines, and television reporters have described allied involvement with the narcotics trade in the past, without generating more than pro forma evasions and denials. But this book, published Aug. 17, is so thoroughly researched, so carefully annotated, and so specific in its accusatjons that even the Central Intelligence Agency has crawled out of its accustomed shell of secrecy to publicly issue 11 pages of denials.

shell. It guaranteed the book an enormous

Staff Writer Malloy spent several years in Southeast Asia as a correspondent for United Press International.

amount of free publicity by asking Harper & Row to suppress its publication. It trapped itself in a "put up or shut up" corner by teiling the publishing company it could demonstrate that author Alfred McCoy's allegations were "totally false." It failed to demonstrate any such thing when Harper & Row broke publishing tradition by giving the agency an advance look at the book and a chance to explode



'The book is so thoroughly researched, so carefully annotated, and so specific in its accusations that even the Central Intelligence Agency has crawled out of its accustomed shell of secrecy to issue 11 pages of denials."

its charges. Instead of preventing its publication, the president of the 155-yearold publishing house said the CIA's response merely "reaffirmed" his company's confidence in the book.

McCoy is a 27-year-old graduate student at Yale. His book is a monumental piece of scholarship in a field that sometimes resists investigation to the point of killing the investigators. He has interviewed spies, gun runners, opium farmers, mercenaries, policemen, and generals along a trail that ran from dusty European libraries to mountaintops in the no man's land of horthern Laos. He produced a fascinating tale of mercenary armies, lost battalions, commando raids on Communist China, and wild mountain tribesmen led by hard-drinking American adventurers who sometimes pay cash bounties for enemy ears. It is right out of Terry and the Pirates, and it is all more or less true.

The agency shaparayed For Release 2005/06/22 :cGIA-RDP74B00415R000400030066-9 Continued American diplomats and secret agents

have been involved in the narcotics traffic

at three levels: (1) coincidental complicity by allying with groups actively engaged in the drug traffic; (2) abetting the traffic by covering up for known heroin traffickers and condoning their involvement; (3) and active engagement in the transport of opium and heroin." He makes a solid cose for the first two charges. Evidence for the third would be equally watertight if he had dropped the word "active" with its suggestion that the United States consciously promoted narcotics smuggling as well as just consciously permitted it.

The book makes it clear that the United States didn't conspire to grow opium, process it into heroin, and ship it off to American school children. But it does show that our Asian pet generals and politicians did do these things and that we knew about it. It shows that we continued to supply arms and equipment to these international pushers, and that they used them to expand their narcotics operations. And it shows we knew that too.

A 'Local' Problem

The reason for this American complicity, of course, was the allegedly toughminded "we're not missionaries" syndrome that made any anti-Communist an ally no matter how despicable he might be. The CIA's rebuttal includes an excellent illustration of the attitude. The agency's chief counsel argued in its defense that "when this drug became a matter of concern to Americans, as distinct from a local Southeast Asian problem, CIA engaged in a variety of programs to attack it."

The counsel didn't say just when the CIA discovered that heroin was as bad for Americans as for mere Asians. But it was obviously far too late, after young Americans were already injecting themselves with products of a narcotics apparatus whose construction has been watched with amused detachment by American officials who thought it was a "local Southeast Asian problem."

McCoy contends that helicopters of the CIA's Air America airline were picking up opium from tribal villages in northwestern Laos as late as May of last year. The CIA says Air America has rules against carrying opium. It is possible that both are right, since Air America pilots haul tribal officers and supplies from mountaintop to mountaintop without necessarily knowing the purpose of their missions.

But most damning and revealing is the defense the CIA makes against McCoy's charge that the agency and the U.S. Embassy in Laos threw up a facade of legal technicalities and talk of Laotian "sovereignty" to prevent the U.S. Bureau of



Author McCoy describing his findings to a Senate subcommittee.

Marcotics from even investigating the wide-open narcotics operations of Lactian generals who admit using American-supplied guns and planes to control the smuggling of tons of dope.

The CIA quotes in its defense a Bureau of Narcotics statement praising the embassy and the agency for the passage of a Laction antidrug law nine months ago and the establishment of a bureau office in Lacs soon after. Until then, the bureau said, "programs to effect control of narcotics trafficking could not be initiated without Laction national drug-control laws."

That is exactly McCoy's point. The United States raises private armies on Lactian soil, bombs Lactian villages, runs commando raids across its borders, and pays off its politicians without particular reverence for Laotian law. And since it also overthrows governments it doesn't like, and pays most of Laos' public and private bills, the United States can get any law it really wants. The most telling confirmation of McCoy's thesis is that U.S. narcotics investigators couldn't even set up an office in this American dependency until a year after local heroin began flowing into Vietnam's U.S. Army camps, and 10 years after I shared an Air America flight with a sack of Laotian opium.

[The Politics of Heroin in Southeast Asia. By Alfred W. McCoy with Cathleen B. Read and Leonard P. Adams II. Harper & Row; New York City. 464 pages. \$10.95.]